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SENATE BILL 6797

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State of Washington

60th Legislature

2008 Regular Session

By Senators Kastama and Kilmer

Read first time 01/24/08. Referred to Committee on Economic Development, Trade & Management.

1 AN ACT Relating to sales and use tax for public facilities in urban  
2 counties; adding a new section to chapter 82.14 RCW; and providing an  
3 effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14 RCW  
6 to read as follows:

7 (1) The legislative authority of an eligible county may impose a  
8 sales and use tax in accordance with the terms of this chapter. The  
9 tax is in addition to other taxes authorized by law and must be  
10 collected from those persons who are taxable by the state under  
11 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
12 within the county. The rate of tax may not exceed 0.09 percent of the  
13 selling price in the case of a sales tax or value of the article used  
14 in the case of a use tax.

15 (2) The tax imposed under subsection (1) of this section must be  
16 deducted from the amount of tax otherwise required to be collected or  
17 paid over to the department of revenue under chapter 82.08 or 82.12  
18 RCW. The department of revenue must perform the collection of such  
19 taxes on behalf of the county at no cost to the county.

1 (3)(a) Distributions of the tax imposed under the authority of this  
2 section may not exceed five million dollars in any calendar year. Any  
3 revenue generated by the tax in excess of five million dollars belongs  
4 to the state.

5 (b) If the limit in (a) of this subsection is met in any calendar  
6 year, the department will resume distributions in January of the  
7 following calendar year.

8 (4)(a) Moneys collected under this section must only be used to  
9 finance public facilities serving economic development purposes in  
10 eligible counties and finance personnel in economic development  
11 offices. The public facility must be listed as an item in the  
12 officially adopted county overall economic development plan, or the  
13 economic development section of the county's comprehensive plan, or the  
14 comprehensive plan of a city or town located within the county for  
15 those counties planning under RCW 36.70A.040. For those counties that  
16 do not have an adopted overall economic development plan and do not  
17 plan under the growth management act, the public facility must be  
18 listed in the county's capital facilities plan or the capital  
19 facilities plan of a city or town located within the county.

20 (b) In implementing this section, the county must consult with  
21 cities, towns, and port districts located within the county and the  
22 associate development organization serving the county to ensure that  
23 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
24 requirements of (a) of this subsection. Each county collecting money  
25 under this section must report, as follows, to the office of the state  
26 auditor, within one hundred fifty days after the close of each fiscal  
27 year: (i) A list of new projects begun during the fiscal year, showing  
28 that the county has used the funds for those projects consistent with  
29 the goals of chapter 130, Laws of 2004 and the requirements of (a) of  
30 this subsection; and (ii) expenditures during the fiscal year on  
31 projects begun in a previous year. Justice system facilities may not  
32 be funded with money collected under this section.

33 (c) The definitions in this subsection apply throughout this  
34 section.

35 (i) "Public facilities" means bridges, roads, domestic and  
36 industrial water facilities, sanitary sewer facilities, earth  
37 stabilization, storm sewer facilities, railroad, electricity, natural

1 gas, buildings, structures, telecommunications infrastructure,  
2 transportation infrastructure, or commercial infrastructure, and port  
3 facilities in the state of Washington.

4 (ii) "Economic development purposes" means those purposes which  
5 facilitate the creation or retention of businesses and jobs in a  
6 county.

7 (iii) "Economic development office" means an office of a county,  
8 port district, or an associate development organization as defined in  
9 RCW 43.330.010, which promotes economic development purposes within the  
10 county.

11 (5) No tax may be collected under this section before July 1, 2008.  
12 No tax may be collected under this section by a county more than  
13 twenty-five years after the date that a tax is first imposed under this  
14 section.

15 (6) For purposes of this section, "eligible county" means a county  
16 with a population density of one hundred persons or greater per square  
17 mile and with a population that exceeds one hundred fifty thousand  
18 persons as determined by RCW 36.13.100.

19 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2009.

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